

RESOLUTION NO. 2014-28859

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE FINAL AD VALOREM MILLAGE OF 5.7942 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS THIRTEEN AND FOUR-TENTHS PERCENT (13.4%) MORE THAN THE "ROLLED-BACK" RATE OF 5.1076 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2295 MILLS FOR FISCAL YEAR (FY) 2014/15.

WHEREAS, on July 23, 2014, the City Commission following a duly noticed public hearing, adopted Resolution No. 2014-28674, which set the proposed general operating millage rates at 5.8634 mills (excluding debt service) for general operating purposes, and 0.2295 mills for debt service, a reduction of 0.0234 mills from the FY 2013/14 debt service rate; and

WHEREAS, on August 29, 2014, the Finance and Citywide Projects Committee recommended a reduction of the general operating millage rate of 0.0692 for a proposed general operating millage rate at 5.7942 mills (excluding debt service), for a total reduction of 0.0926 mills from the FY 2013/14 rate for general operating purposes, and 0.2295 mills for debt service; and

WHEREAS, at the first public hearing on September 10, 2014, the Mayor and Commission tentatively adopted the operating millage rate of 5.7942 mills for general operating purposes, and 0.2295 mills for debt service; and

WHEREAS, at the second public hearing on September 30, 2014, the Mayor and City Commission passed and adopted Resolution No. 2014-28759 which adopted the final operating millage rate of 5.7942 mills for general operating purposes, and 0.2295 mills for debt service; and

WHEREAS, on November 17, 2014, the City of Miami Beach received the Florida Department of Revenue's (DOR) notice that the City of Miami Beach was not in compliance with Truth-in-Millage (TRIM) law due to an error in the Budget Summary advertisement published in the Miami Herald on September 25, 2014; and

WHEREAS, a special City Commission meeting to hold the new final hearing as provided in DOR's notice has been scheduled for December 2, 2014 and has been duly advertised; and

WHEREAS, Section 200.065, Florida Statutes, requires that at the conclusion of the special public hearing on the City's proposed tax rate and budget, the City Commission: 1) adopt the final ad valorem millage rate for FY 2014/15 operating purposes; and 2) the required Debt Service millage rate; this is accomplished by adopting a Resolution that includes the percentage increase or decrease over the "rolled-back" rate; and

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that pursuant to Section 200.065, Florida Statutes, there is hereby levied a tax for FY 2014/15, on all taxable and non-exempt real and personal property located within the corporate limits of the City of Miami Beach, Florida, as follows:

- (a) For the purpose of operating the government of the City, the rate assigned amounts to 5.7942 mills. Also included are appropriate reserves and contingencies, which are not limited to reserves for tax discounts and abatements of uncollected taxes.

The millage rate reflected is thirteen and four-tenths percent (13.4%) more than the "Rolled-back" rate of 5.1076 mills.

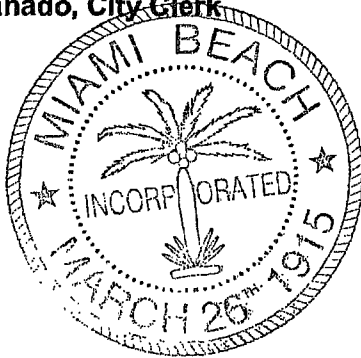
- (b) For the purpose of providing payment on the principal and interest portions of the General Obligation Bond Debt outstanding, the rate assigned amounts to 0.2295 mills.

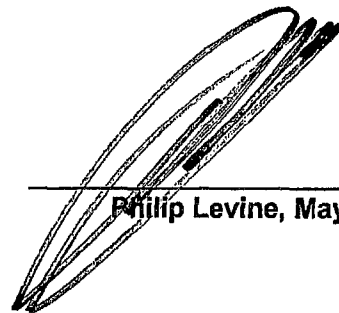
PASSED and ADOPTED this 2nd day of December, 2014.

ATTEST:



Rafael Granado, City Clerk





Philip Levine, Mayor

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

11/24/2014

Date

COMMISSION ITEM SUMMARY

Condensed Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE FINAL AD VALOREM MILLAGE OF 5.7942 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS THIRTEEN AND FOUR-TENTHS PERCENT (13.4%) MORE THAN THE "ROLLED-BACK" RATE OF 5.1076 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2295 MILLS

Key Intended Outcome Supported:

Ensure expenditure trends are sustainable over the long term

Supporting Data (Surveys, Environmental Scan, etc.):

In the 2014 Community Survey, both residents and businesses reported the following area for the City related to value for taxes paid:

- Percentage of residents rating the Overall Value of City services for tax dollars paid as excellent or good (Residents: 58%; Businesses 54%)

Item Summary/Recommendation:

The Administration is recommending a total combined millage rate for the City of Miami Beach of 6.0237, which represents a decrease of 0.0926 mills. The tentatively adopted operating millage decreased 0.0692 mills and includes a general operating millage rate of 5.7942 and a General Fund Capital Renewal and Replacement millage of 0.1083. The tentatively adopted voted debt service millage rate is adjusted from 0.2529 to 0.2295, a decrease of 0.0234 mills. The tentatively adopted millage rate decrease of 0.0926 mills represents approximately half of the remaining millage rate reduction goal of 0.2079 and does not result in a property tax increase to median or average property owners that qualify for the homestead exemption and the Save Our Homes cap.

The tentatively adopted combined millage rate of 6.0237 mills is 0.0926 mills less than the 6.1163 combined millage rate for FY 2013/14. The tentatively adopted operating millage of 5.7942 mills for FY 2014/15 is 0.6866 mills more than the rolled-back rate of 5.1076, and thus, the City is required to publish a Notice of Tax Increase. The tentatively adopted operating millage rate of 5.7942 requires a majority approval (4 of 7 votes) of the Commission.

This item was originally adopted on September 30, 2014. On November 17, 2014, the Florida Department of Revenue (DOR) officially notified the City of Miami Beach that we are not in compliance with Truth-in-Millage (TRIM) law due to an error in the Budget Summary advertisement posted in the Miami Herald on September 25, 2014. Per DOR's requirements, this item will re-adopt the final ad valorem millage rate for general operating purposes.

Advisory Board Recommendation:

Finance & Citywide Projects Committee on July 16th, August 13th, and August 29th 2014

Financial Information:

Source of Funds:		Amount	Account
	1		
	2		
OBPI	Total		

Financial Impact Summary: Including the tentatively adopted millage rate for FY 2014/15, the City has decreased the millage by 0.4213 mills in the last four years and combined millage rates today remain more than 2.6 mills lower, or 31 percent, than in FY 1999/00 and approximately 1.6 mills lower than in FY 2006/07. As a result, the tentatively adopted property tax levy is approximately \$13 million less in FY 2014/15 than it was in FY 2006/07.

City Clerk's Office Legislative Tracking:**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
---------------------	------------------------	--------------



MIAMIBEACH

AGENDA ITEM R7A1
DATE 12-2-14



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: December 2, 2014

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING: 1) THE FINAL AD VALOREM MILLAGE OF 5.7942 MILLS FOR GENERAL OPERATING PURPOSES, WHICH IS THIRTEEN AND FOUR-TENTHS PERCENT (13.4%) MORE THAN THE "ROLLED-BACK" RATE OF 5.1076 MILLS; AND 2) THE DEBT SERVICE MILLAGE RATE OF 0.2295 MILLS**

TRIM COMPLIANCE

This item was originally adopted on September 30, 2014. On November 17, 2014, the Florida Department of Revenue (DOR) officially notified the City of Miami Beach that we are not in compliance with Truth-in-Millage (TRIM) law due to an error in the Budget Summary advertisement posted in the Miami Herald on September 25, 2014. Per DOR's requirements, this item will re-adopt the final ad valorem millage rate for general operating purposes.

ADMINISTRATION RECOMMENDATION

The Administration recommends that the City Commission adopt the attached Resolution which sets the following:

- 1) Final Millage Rates for FY 2014/15:

General Operating	5.6859 mills (5.7551 FY 2013/14, 0.0692 decrease)
Capital Renewal & Replacement	<u>0.1083 mills</u>
Sub-Total Operating Millage	5.7942 mills (5.8634 FY 2013/14, 0.0692 decrease)
Voted Debt Service	<u>0.2295 mills (0.2529 FY 2013/14, 0.0234 decrease)</u>
Total	6.0237 mills (6.1163 FY 2013/14, 0.0926 decrease)
- 2) The final combined millage rate of 6.0237 mills is 0.0926 mills less than the 6.1163 combined millage rate for FY 2013/14. The final operating millage of 5.7942 mills for FY 2014/15 is 0.6866 mills more than the rolled-back rate of 5.1076, and thus, the City is required to publish a Notice of Tax Increase.

The "Rolled-Back" millage rate for FY 2014/15 is the millage rate required to produce the same level of property tax revenues in the General Fund in FY 2014/15 as anticipated to be received in FY 2013/14. It is important to note, that the January 1, 2013, tax roll Citywide declined by almost \$1.02 billion (4.1%) between the July 1, 2013 valuation and the July 1, 2014 valuation due to appeals, adjustments, etc, which is part of the reason the FY 2014/15 "rolled-back rate" is 0.6866 mills lower than the FY 2013/14 current millage rate and lower than it would be if the rolled-back rate was only adjusted for the increase in revenues generated by higher property values. The area

outside of City Center RDA, which impacts General Fund revenues, declined in value by approximately \$0.24 billion during the same period of time.

The Administration is recommending a total combined millage rate for the City of Miami Beach of 6.0237. The total final operating millage decreases to 5.7942 mills, which includes a General Operating millage rate of 5.6859 and a General Fund Capital Renewal and Replacement millage of 0.1083. The final voted debt service millage rate is adjusted from 0.2529 to 0.2295, a decrease of 0.0234 mills.

The final adopted millage rate provides funding in the proposed budget to partially offset the following:

- 3 percent Cost of Living Adjustment (COLA)
- 2 percent merit increases for employees to their maximum of pay ranges
- 9 percent increase in Health Insurance and 7 percent increase in Dental Insurance
- 3.9 percent increase in internal service charges
- \$2.1 million in program and service level enhancements

PROCEDURE

Florida Statutes 200.065 requires that at the conclusion of the second public hearing on the final proposed tax rate and budget, the City Commission proceed in the following specific manner:

1. Adopt an ad valorem millage rate for FY 2013/14 operating purposes. The statute requires the name of the taxing authority, the "Rolled-Back" rate, the percentage increase or decrease over the "Rolled-back" rate, and the millage rates be publicly announced before adoption of the millage levy resolution.

State statute requires that only the title be read aloud.

2. Adopt a general operating budget for FY 2013/14. Also included, are budgets for the Enterprise and Internal Service Funds. This is accomplished by adopting a companion Resolution. (See accompanying City Budget Agenda Item).

SUMMARY

In FY 2010/11 the city's approach to addressing the then deficit of \$32 million included a distribution of the shortfall between taxpayers and employees. Taxpayers had their tax rate increased from 5.6555 to 6.2155, an increase of 0.56 mills. The goal of the Commission has been to bring them back to that level as property values increase over time. It should be remembered that between FY 2009/10 and FY 2010/11 values declined by \$2.6 billion driving the need for an increase in the millage.

In FY 2011/12 the City took its first step in that direction with a reduction in the millage rate of 0.05 mills. The millage rate for FY 2012/13 reduced the operating millage by an additional 0.0746 mills. In the FY 2013/14 budget, the millage rate was reduced 0.2275 mills. Over three years, this reduction represents 63 percent of the goal to get back to a millage rate of 5.6555. The remaining goal for millage reduction is 0.2079.

The Administration is recommending a total combined millage rate for the City of Miami Beach of 6.0237, which represents a decrease of 0.0926 mills. The final operating millage decreased 0.0692 mills and includes a general operating millage rate of 5.7942 and a General Fund Capital Renewal and Replacement millage of 0.1083. The final voted debt service millage rate is adjusted from 0.2529 to 0.2295, a decrease of 0.0234 mills. The final millage rate decrease of 0.0926 mills represents approximately half of the remaining millage rate reduction goal of 0.2079 and does not result in a property tax increase to median or average property owners that qualify for the homestead exemption and the Save Our Homes cap.

It is important to remember that in prior years, the City of Miami Beach significantly reduced tax rates as property values increased. Between FY 1999/00 and FY 2009/10, total combined City of Miami Beach property tax rates declined approximately 2.8 mills. In FY 2007/08 alone, the millage rate declined by approximately 1.8 mills, with annual savings to the average homesteaded property of over \$400. Further, despite an adjustment of 0.56 mills in the operating tax rate in FY 2010/11, City of Miami Beach final combined millage rates today remain more than 2.6743 mills lower than in FY 1999/00 (31 percent), and 1.6493 mills lower than 2006/07 (21.5%).

ANALYSIS OF PROPERTY VALUES IN MIAMI BEACH

On July 1, 2014, the City received the "2014 Certification of Taxable Value" from the Property Appraiser's Office stating that the taxable value for the City of Miami Beach is \$27.1 billion including \$152.2 million in new construction. The preliminary 2014 value represents an increase of \$2.4 billion or 9.9 percent more than the July 1, 2013, Certification of Taxable Value of \$24.6 billion and an increase of 9.3 percent, excluding new construction.

The comparative assessed values for the Miami Beach Redevelopment Agency City Center redevelopment district increased from \$3.9 billion to \$4.2 billion an increase of \$315 million or an 8.1 percent increase over 2013 certified values. In addition, assessed values within the geographic area formerly known as the South Pointe redevelopment district increased from \$3.9 billion to \$4.3 billion an increase of \$413 million, or a 10.5 percent increase in values over 2013 certified values. As a result, taxable values in the areas outside the City Center RDA/South Pointe area increased by 10.2 percent, from \$16.9 billion to \$18.6 billion, an increase of \$1.7 billion.

Citywide values excluding City Center increased from \$20.8 billion to \$22.9 billion, an increase of \$2.1 billion or 10.3 percent. Values outside the City Center area determine General Fund revenues.

COMPARATIVE ASSESSED VALUES (in billions)

	Jan. 1 2013 Value (in billions)				Jan. 1, 2014 Value (in billions)	Change from 2013 Value (Budget)	
	As of July 1 2013 (For FY 2013/14 Budget)	Revised Value (For FY 2013/14 Projection)	Change in 2013 Values	% Chg.	As of July 1 2013 (For 2014/15 Budget)	\$ (in billions)	% Chg
RDA – City Ctr	\$ 3.8714	\$ 3.6341	\$ (0.2373)	-6.1%	\$ 4.1867	\$ 0.3153	8.1%
South Pointe	3.9148	3.7692	(0.1456)	-3.7%	4.3275	\$ 0.4127	10.5%
General Fund excl S.Pie	16.8703	16.2354	(0.6349)	-3.8%	18.5942	\$ 1.7239	10.2%
Total Citywide	\$ 24.6565	\$ 23.6387	(1.0178)	-4.1%	\$ 27.1084	\$ 2.4519	9.9%
Citywide Net of City Center	\$ 20.7851	\$ 20.0046	\$ (0.7805)	-3.8%	\$ 22.9217	\$ 2.1366	10.3%

DETERMINING THE OPERATING MILLAGE LEVY

The first building block in developing a municipal budget is the establishment of the value of one mill of taxation, wherein the mill is defined as \$1.00 of ad valorem tax for each \$1,000 of property value. For the City of Miami Beach, the value for each mill is determined by the 2014 Certification of Taxable Value and has been set at \$27.1 million. Florida Statutes permit a discount of up to five percent for early payment discounts, delinquencies, etc. Therefore, the 95 percent value of the mill is \$25.7 million. Net of Center City RDA tax increment available to the General Fund, the value of one mill at 95 percent is \$22.0 million.

IMPACTS OF CHANGES IN PROPERTY VALUES

The FY 2013/14 operating millage rate for general City operations was 5.8634 based on July, 2013 Certification of Taxable Value. Based on the July 1, 2014 Certification of Taxable Value, 5.8634 mills would generate approximately \$165.1 million at 100% collection (\$156.9 million at 95% collection) in general tax revenues, an increase of \$14.3 million at 100% collection (\$13.6 million at 95% collection) over FY 2013/14 property tax revenues Citywide (General Fund, City Center RDA and the South Pointe area). The General Fund property tax revenues would increase by \$11.9 million, if the FY 2013/14 millage rate was maintained.

Further, the January 1, 2013 tax roll Citywide declined by \$1.02 billion (4.1%) between the July 1, 2013 valuation and the July 1, 2014 valuation due to appeals, adjustments, etc., which is part of the reason that the FY 2014/15 "rolled-back rate" is significantly less than the FY 2013/14 current millage rate.

STATE LEGISLATED OPERATING MILLAGE REQUIREMENTS

Pursuant to recently enacted State legislation, the City may elect to approve millage rates above the roll-back rate up to the constitutional cap of 10 mills subject to the following votes by the Commission or referendum:

- Option I: A majority of the approval of the Commission Millage is required to approve a millage up to 7.2121 (equivalent to 3.15 percent increase in property tax revenues). The 3.15 percent increase is the state per capita personal income gain for the prior calendar year.
- Option II: A two-thirds approval (5 of 7 votes) of the Commission is required to approve a millage up to 7.9333 (equivalent to a 10% increase in the ad valorem revenues above Option I).
- Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 7.9333 up to the 10 mill cap

The final operating millage rate of 5.7942 therefore requires a majority approval (4 of 7 votes) of the Commission.

DETERMINING THE VOTED DEBT SERVICE MILLAGE LEVY

The general obligation debt service payment for FY 2014/15 is approximately \$5.9 million. Based on the July 1, 2014 Certified Taxable Value from the Property Appraiser, these bonds would require the levy of a voted debt service millage of 0.2295 mills. This represents a decrease of 0.0234 mills.

COMBINING THE OPERATING AND VOTED DEBT SERVICE MILLAGE LEVY

At the July 23, 2014 Commission meeting, the Commission set the operating millage at the same level as FY 2013/14 and the voted debt service millage decreased by 0.0234 mills. This represents a total decrease in the operating millage rate of 0.0234 mills.

On August 29th, the Finance and Citywide Projects Committee voted to reduce the operating millage rate an additional 0.0692 mills for a combined millage rate reduction of 0.0926 mills compared to FY 2013/14.

The combined millage rate reduction of 0.0926 mills was tentatively adopted by the City Commission at the first public hearing on September 10, 2014.

Illustrated below is a comparison of the combined millage rates and ad valorem revenues to the City of Miami Beach for FY 2013/14 and FY 2014/15, including RDA. It is recommended that in the General Fund, 0.1083 mills of the total operating millage continue to be dedicated to renewal and replacement, resulting in approximately \$2.18 million in renewal and replacement funding. The final millage rate is 1.5% less than FY 2013/14 and 21.5% less than FY 2006/07.

City of Miami Beach Millage Rates	FY 06/07	FY 13/14	FY 14/15	Inc/(Dec)	% Inc/(Dec)	
					From FY13/14	From FY 06/07
Operating	7.1920	5.7551	5.6859	-0.0692		
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000		
Sub-total Operating Millage	7.3740	5.8634	5.7942	-0.0692	-1.2%	-21.4%
Debt Service	0.2990	0.2529	0.2295	-0.0234	-9.3%	-23.2%
Total	7.6730	6.1163	6.0237	-0.0926	-1.5%	-21.5%

IMPACT OF PROPOSED MILLAGE ON PROPERTY OWNERS

Homesteaded Properties

Amendment 10 to the State Constitution took effect on January 1, 1995 and limited the increase in assessed value of homesteaded property to the percentage increase in the consumer price index (CPI) or three percent (3%), whichever is less. For 2014, the CPI has been determined to be 1.5 percent and therefore, the increase is capped at 1.5% for increased values as of January 1, 2014.

Overall, based on the homesteaded properties in the January 1, 2013 homestead values as of July 1, 2013 valuation, the median value of homesteaded property in Miami Beach for 2013 was \$132,371, and the average \$317,086. Applying the increase to the market value of all existing homesteaded properties from the 2013 tax roll, and the 1.5 percent CPI adjustment, the impact of the millage rate adjustment to homesteaded properties would be no increase in property taxes as shown in the following table.

Homesteaded Properties				
	FY 2013/14		FY 2014/15	
	Median	Average	with 1.5% CPI	
			Median	Average
2013 Preliminary Taxable Value	\$ 132,371	\$ 317,086	\$ 134,357	\$ 321,842
City of Miami Beach				
Operating	\$ 776	\$ 1,869	\$ 778	\$ 1,865
Voted Debt	33	80	31	74
Total Miami Beach	\$ 809	\$ 1,939	\$ 809	\$ 1,939
\$ Change in Taxes				
Operating			\$ 2	\$ 6
Voted Debt			(2)	(6)
Total Miami Beach			\$ -	\$ -

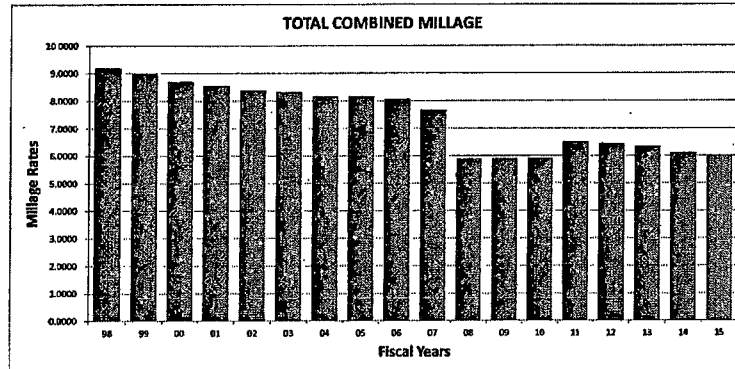
* Source: Miami-Dade County Property Appraiser's - 2013-average-median-homestead-residential-values file

Non-Homesteaded Properties

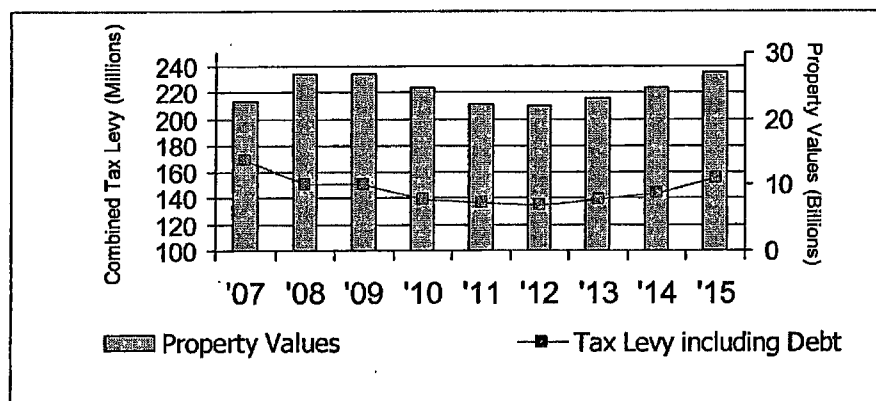
The annual increase in market value of a non-homestead property is capped at 10 percent (does not apply to school millages). The city-wide average increase in property values is 9.9 percent. The property value of individual properties may increase more or less than 9.9 percent, but not more than 10 percent.

Historical Perspective

It is important to remember that in prior years, the City of Miami Beach significantly reduced tax rates as property values increased. Between FY 1999/00 and FY 2009/10, property tax rates declined approximately 2.8 mills. In FY 2007/08 alone, the property tax rate declined by approximately 1.8 mills, with annual savings to the average homesteaded property of over \$400. In addition, in FY 2005/06 and FY 2006/07, the City funded \$200 and \$300 homeowner dividends paid to homesteaded property owners in the City.



Although the City increased the operating tax rate by 0.56 mills in FY 2010/11, the City has decreased the millage by 0.4213 mills in the last four years and combined millage rates today remain more than 2.6 mills lower, or 31 percent, than in 1999/00 and approximately 1.6 mills lower than in 2006/07. As a result, the proposed property tax levy is approximately \$13 million less in FY 2014/15 than it was in FY 2006/07.



Property Value, Millage, and Property Tax Levy

Taxable Values Chart	Taxable Property Values (billions)	Final/Revised Taxable Values (billions)	Millage Rates		Tax Levy (in millions)	
			Total Combined Citywide Millage	General Fund/RDA Millage	Total Tax Levy including Debt	General Fund Total (including S. Pointe, and Renewal & Replacement)
FY1997/98	\$ 6.46	\$ 6.40	9.2100	7.4990	\$ 57.45	\$ 46.78
FY1998/99	\$ 6.97	\$ 6.87	8.9830	7.4990	\$ 60.37	\$ 44.66
FY1999/00	\$ 7.66	\$ 7.54	8.6980	7.4990	\$ 64.29	\$ 47.36
FY2000/01	\$ 8.37	\$ 8.22	8.5550	7.3990	\$ 69.08	\$ 49.75
FY2001/02	\$ 9.40	\$ 9.22	8.3760	7.2990	\$ 75.97	\$ 54.37
FY2002/03	\$ 10.56	\$ 10.41	8.3220	7.2990	\$ 84.81	\$ 61.05
FY2003/04	\$ 12.09	\$ 11.85	8.1730	7.2990	\$ 95.39	\$ 68.17
FY2004/05	\$ 14.04	\$ 13.86	8.1730	7.4250	\$ 110.74	\$ 79.38
FY2005/06	\$ 17.45	\$ 17.15	8.0730	7.4810	\$ 135.91	\$ 111.69
FY2006/07	\$ 22.74	\$ 22.26	7.6730	7.3740	\$ 168.38	\$ 140.31
FY2007/08	\$ 26.85	\$ 26.14	5.8970	5.6555	\$ 150.42	\$ 125.33
FY2008/09	\$ 26.90	\$ 25.89	5.8930	5.6555	\$ 150.59	\$ 125.94
FY2009/10	\$ 24.70	\$ 23.24	5.9123	5.6555	\$ 138.70	\$ 115.73
FY2010/11	\$ 22.10	\$ 20.97	6.5025	6.2155	\$ 136.55	\$ 112.14
FY2011/12	\$ 21.98	\$ 20.75	6.4539	6.1655	\$ 134.75	\$ 111.29
FY2012/13	\$ 23.07	\$ 22.02	6.3477	6.0909	\$ 139.10	\$ 114.32
FY2013/14	\$ 24.66	\$ 23.64	6.1163	5.8634	\$ 143.26	\$ 117.41
FY2014/15	\$ 27.10	*	6.0237	5.7942	\$ 155.10	\$ 127.76

Overlapping Jurisdictional Operating and Debt Service Millages

City of Miami Beach property owners must also pay property taxes to Miami-Dade County, the Miami-Dade County School Board, the Children's Trust, the South Florida Water Management District, Okeechobee Basin, Everglades Project, and the Florida Inland Navigational District. These taxing authorities represent 70 percent of a Miami Beach property owner's tax bill.

The countywide tax rate for Miami-Dade County decreased by 0.0345 mills to 4.6690; the library tax rate increased 0.1115 mills to 0.2840 mills; and the debt service millage increased 0.0280 mills to 0.4500 mills.

The tax rate for the Miami-Dade School District decreased slightly from 7.9770 mills to 7.9740 mills.

The Children's Trust millage is maintained at 0.5000 mills. As a whole, the millage rates for the South Florida Water Management District, Okeechobee Basin, Everglades Project, and Florida Inland Navigational District decreased 0.0174 mills to 0.4187 mills.

With the final rates for FY 2014/15, the Miami Beach portion of the FY 2014/15 tax bill is approximately 30 percent of the total bill. *Of note, the County millage is 0.9830 mills less than their millage in FY 2006/07, as compared to the City's final adopted millage which is 1.6493 mills less than the City millage in FY 2006/07.* Further, the School Board millage is only minimally below the FY 2006/07 millage rate, despite the recently proposed decrease. The significant difference in the total overlapping millage rate is a direct result of the City's effort to keep the millage rates as low as possible. A summary of the tax rate changes is provided in the following table.

OVERLAPPING TAX MILLAGE	FY 06/07	FY 13/14	FY 14/15	Variance from 13/14	Variance from 06/07	14/15 Total
City of Miami Beach Millage Rates						
Operating	7.1920	5.7551	5.6859	-0.0692	-1.5061	
Capital Renewal & Replacement	0.1820	0.1083	0.1083	0.0000	-0.0737	
Subtotal Operating Millage	7.3740	5.8634	5.7942	-0.0692	-1.5798	
Voted Debt Service	0.2990	0.2529	0.2295	-0.0234	-0.0695	
Total	7.6730	6.1163	6.0237	-0.0926	-1.6493	30%
Miami Dade County						
Countywide	5.6150	4.7035	4.6690	-0.0345	-0.9460	
Library	0.4860	0.1725	0.2840	0.1115	-0.2020	
Debt Service	0.2850	0.4220	0.4500	0.0280	0.1650	
Subtotal	6.3860	5.2980	5.4030	0.1050	-0.9830	27%
School Board	8.1050	7.9770	7.9740	-0.0030	-0.1310	39%
Children's Trust	0.4220	0.5000	0.5000	0.0000	0.0780	2%
Other	0.7360	0.4455	0.4187	-0.0268	-0.3173	2%
Total	23.3220	20.3368	20.3194	-0.0174	-3.0026	100%

Impact of Combined Tax Rates of Overlapping Jurisdictions on Homesteaded Properties

The median and average January 1, 2013 taxable values of \$132,371 and \$317,086, respectively, will increase by 1.5% CPI in FY 2014/15 due to the Save Our Homes Cap which only allows taxable values to increase by 3.0% or CPI, whichever is lower.

Applying the final combined millage rates to the median and average taxable values results in an additional \$38 for the median and a \$92 increase for the average. These increases are mitigated by no increase in property taxes for the median or the average from the reduction in millage in the City of Miami Beach's portion of the property tax bill.

Median properties would pay approximately \$2,729 for all taxing jurisdictions combined, while the average taxes generated would be approximately \$6,540 per homesteaded property. Of these taxing jurisdictions, the highest component is the Miami-Dade School Board, at \$1,071 for a median value property, and \$2,566 for an average valued property.

The following table provides examples of changes in property taxes for homesteaded properties using the proposed tax rates and potential changes from 2013 values.

Impact on Homesteaded Properties Assuming Changes In Taxable Value from January 1, 2014				
	FY 2013/14		FY 2014/15 with 1.5% CPI	
	Median	Average	Median	Average
2013 Preliminary Taxable Value	\$ 132,371	\$ 317,086	\$ 134,357	\$ 321,842
City of Miami Beach				
Operating	\$ 776	\$ 1,859	\$ 778	\$ 1,865
Voted Debt	33	80	31	74
Total Miami Beach	\$ 809	\$ 1,939	\$ 809	\$ 1,939
Miami Dade County	701	1,680	728	1,739
Schools	1,056	2,529	1,071	2,566
Other	125	300	123	296
Total	\$ 2,691	\$ 6,448	\$ 2,729	\$ 6,540
<u>Change in Taxes</u>				
City of Miami Beach				
Operating			\$ 2	\$ 6
Voted Debt			(2)	(6)
Total Miami Beach			\$ -	\$ -
Miami Dade County			25	59
Schools			15	37
Other			(2)	(4)
Total			\$ 38	\$ 92

As with the City of Miami Beach millage rates, impacts of the combined jurisdictional millage rates for non-homesteaded properties are based on the individual property values.

CONCLUSION

The Administration recommends adoption of the attached Resolution which adopts final operating and debt service millage rates for FY 2014/15.

JLM/JW





CITY OF MIAMI BEACH NOTICE OF PUBLIC HEARINGS

NOTICE IS HEREBY given that Public Hearings will be held by the Mayor and City Commission of the City of Miami Beach, Florida, in the Commission Chambers, 3rd floor, City Hall, 1700 Convention Center Drive, Miami Beach, Florida, on **Tuesday, December 2, 2014**, to consider the following:

5:01 p.m.

A Resolution Adopting: 1) The Final Ad Valorem Millage Of 5.7942 Mills For General Operating Purposes, Which Is Thirteen And Four-Tenths Percent (13.4%) More Than The "Rolled-Back" Rate Of 5.1076 Mills; And 2) The Debt Service Millage Rate Of 0.2295 Mills For Fiscal Year (FY) 2014/15. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

5:01 p.m.

A Resolution Adopting Final Budgets For The General, G.O. Debt Service, RDA Ad Valorem Taxes, Enterprise, Internal Service Funds, and Special Revenue Funds For Fiscal Year (FY) 2014/15. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

5:02 p.m.

A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Final Ad Valorem Millage Rate Of 1.1305 Mills For Fiscal Year (FY) 2014/15 For The Normandy Shores Local Government District, Which Is One Percent (1.0%) Less Than The "Rolled-Back" Rate Of 1.1391 Mills. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

5:02 p.m.

A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Final Operating Budget For Fiscal Year (FY) 2014/15. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

5:03 p.m.

A Resolution Adopting The Final Capital Improvement Plan For Fiscal Years (FY) 2014/15-2018/19 And Adopting The City Of Miami Beach Final Capital Budget For (FY) 2014/15. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

5:04 p.m.

A Resolution Of The Chairperson And Members Of The Miami Beach Redevelopment Agency, Adopting And Appropriating The Operating Budget For The City Center Redevelopment Area, The Anchor Shops And Parking Garage, And The Pennsylvania Avenue Shops And Parking Garage For Fiscal Year 2014/15. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

5:05 p.m.

A Resolution Of The Chairperson And Members Of The Miami Beach Redevelopment Agency (RDA), Adopting And Appropriating The Miami Beach Redevelopment Agency Capital Budget For Fiscal Year (FY) 2014/15 And Adopting The Capital Improvement Plan For Fiscal Years 2014/15 Through 2018/19. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

5:06 p.m.

A Resolution Adopting The First Amendment To The Capital Budget For Fiscal Year (FY) 2014/15. *Inquiries may be directed to the Budget & Performance Improvement Office at 305.673.7510.*

Interested parties are invited to appear at this meeting, or be represented by an agent, or to express their views in writing addressed to the City Commission, c/o the City Clerk, 1700 Convention Center Drive, 1st Floor, City Hall, Miami Beach, Florida 33139. Copies of these items are available for public inspection during normal business hours in the City Clerk's Office, 1700 Convention Center Drive, 1st Floor, City Hall, Miami Beach, Florida 33139. This meeting, or any item therein, may be continued, and under such circumstances, additional legal notice need not be provided.

Pursuant to Section 286.0105, Fla. Stat., the City hereby advises the public that if a person decides to appeal any decision made by the City Commission with respect to any matter considered at its meeting or its hearing, such person must ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law.

To request this material in alternate format, sign language interpreter (five-day notice required), information on access for persons with disabilities, and/or any accommodation to review any document or participate in any City-sponsored proceedings, call 305.604.2489 and select 1 for English or 2 for Spanish, then option 6; TTY users may call via 711 (Florida Relay Service).

Rafael E. Granado, City Clerk
City of Miami Beach